EXAMPLES OF GOOD VARIANCE ANALYSIS

- **Cause**
  - **The $14k negative cost variance is due to reworking the upper housing design ($8.4k) and using a more expensive design of the tracking mechanism ($5.6k).**
  - **The $17.5k negative schedule variance is due to the slip in the deliveries of the microprocessor. The entire $17.5k was the value (BCWS) of that particular delivery.**

EXAMPLES OF GOOD VARIANCE ANALYSIS

- **IMPACT**
  - **The rework of the upper housing is not recoverable ($8.4k); however, the more sr/experienced engineer is expected to perform the next task in less time which will eliminate the negative $5.6k variance.**
  - **There is no impact. The earned value (BCWP) will be taken as soon as the microprocessor is delivered (in approximately 2 weeks) which will eliminate the $17.5k negative schedule variance. Also, this late delivery will not affect any subsequent deliveries.**

EXAMPLES OF GOOD VARIANCE ANALYSIS

- **CORRECTIVE ACTION**
  - **Modify the documentation on the upper housing to ensure this will not happen to similar type design. Monitor more closely the design engineers to ensure their efficiency.**
  - **Have been in contact with the microprocessor supplier to make sure any further slippage in schedule will not happen.**